



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

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FTC Reaches Settlement With Home Security Company that Called Millions of Consumers on the National Do Not Call Registry

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FOR RELEASE

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The Federal Trade Commission, with the assistance of the U.S. Department of Justice, has settled a complaint against a Massachusetts-based home security company that illegally called millions of consumers on the FTC's National Do Not Call (DNC) Registry to pitch home security systems.

According to the FTC, Versatile Marketing Solutions (VMS), under the guidance of its owner, Jasjit Gotra, called millions of consumers whose names and phone numbers VMS bought from lead generators. The lead generators claimed that those consumers had given VMS permission to contact them about the installation of a free home security system, but in reality, they had not. In its [complaint](#), the FTC alleges that the defendants' tactics violated the Commission's [Telemarketing Sales Rule](#).

The sales leads were obtained by illegal means through rampant use of robocalls from "Tom with Home Protection," fake survey calls, and calls to phone numbers on the National Do Not Call Registry. According to the complaint, VMS subsequently called these consumers without first checking to see if they had registered their telephone numbers on the DNC Registry.

In addition, the complaint alleges that VMS ignored warning signs that the lead generators were engaged in illegal telemarketing practices. For example, many consumers contacted by VMS complained that they had not given the company permission to call, nor had they given permission to receive a robocall. Despite mounting complaints, VMS continued buying leads from the same lead generators, and calling consumers using those leads.

"Companies that use lead generators must exercise due diligence when they buy lists of phone numbers," said Jessica Rich, Director of the FTC's Bureau of Consumer Protection, "or else they can be on the hook for illegal telemarketing. Relying on a say-so that the numbers were obtained legally, or that the consumers have agreed to be called, even if their numbers are on the Do Not Call Registry, isn't enough."

According to the complaint, between November 2011 and July 2012, VMS made more than two million calls to consumers to try to sell home security goods and services. Of those calls, at least one million were to phone numbers listed on the

DNC Registry, and more than 100,000 were to consumers who had previously told VMS not to call them again – another violation of the DNC rules.

The stipulated final court order settling the charges prohibits VMS and Gotra from making abusive telemarketing calls and from calling any consumer whose number is on the DNC Registry, unless they can prove that they have received written permission to make the call or that they have an established business relationship with that consumer. Further, it bars defendants from calling any consumer who has previously told VMS not to call them again. The order also places restrictions on how defendants can obtain and use lead-generated phone numbers in the future.

Finally, the order imposes a \$3.4 million penalty judgment against the defendants, with all but \$320,700 suspended due to their inability to pay. The entire amount will become due if the defendants are found to have misrepresented their financial condition.

The court settlement announced today resolves the FTC's complaint against Versatile Marketing Solutions, Inc. also doing business as VMS Alarms, VMS, Alliance Security, and Alliance Home Protection; and its owner, Jasjit Gotra.

The Commission vote authorizing the staff to refer the civil penalty complaint to the Department of Justice, and to approve the proposed consent decree, was 4-0. The DOJ filed the complaint and proposed consent decree on behalf of the Commission in U.S. District Court for the District of Massachusetts on March 10, 2014. The proposed consent decree is subject to court approval.

NOTE: The Commission authorizes the filing of a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. Consent judgments have the force of law when signed by a district court judge.

Information for Consumers and Business

The FTC has a new blog post for consumers on the DNC Registry, as well as two consumer education videos explaining robocalls and describing what consumers should do when they receive one. The Commission also has a new blog with business education information. General information on the DNC Registry is also available on the website.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides free information on a variety of consumer topics. Like the FTC on Facebook, follow us on Twitter, and subscribe to press releases for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

FTC Charges Recidivist Telemarketer for Millions of Illegal Calls Pitching Home Security Systems and Monitoring Services to Consumers

FTC Obtains Telemarketing Injunctions against Recidivist Do Not Call Violators Jasjit "Jay" Gotra and His Company, Alliance Security Inc.

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